



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 9/15/2006

GAIN Report Number: IN6084

India

Agricultural Situation

Weekly Highlights & Hot Bites, #34

2006

Approved by:

Holly Higgins

U.S. Embassy, New Delhi

Prepared by:

A. Govindan, Santosh Kr. Singh, Deepa Dhankhar

Report Highlights:

Government tightens laws to curb grain prices, *ASEAN presents negative list of 600 items*, *Reliance Retail Outlet debut in two weeks*, *Panel to decide fate of GM veg trials on Sept 25*, *PEPSICO looks for yields from contract farms*, *Exports of oilseed meal rise 35 percent*.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

GOVERNMENT TIGHTENS LAWS TO CURB GRAIN PRICES

In an attempt to curb rising prices of wheat and pulses due to hoarding, the Delhi government issued control orders to wheat and pulse dealers in the Capital. Accordingly, the state Food and Civil Supplies Department can raid and check details of stocks available for these two commodities with dealers. (Source: Pioneer, 09/13/06)

Post Comment: Several other states have also issued similar orders on stock holdings by the private trade following a notification by the Ministry of Consumer Affairs, Food and Public Distribution.

ASEAN PRESENTS NEGATIVE LIST OF 600 ITEMS

ASEAN has come up with a composite negative list of 600 products for the proposed India-ASEAN free trade agreement. The Trade Negotiations Committee will discuss the negative list, the most contentious, later this month. According to official sources, now that ASEAN has revealed its negative list, it will be easier for India to convince the group of India's necessity of maintaining its negative list. India has proposed a negative list of 854 items but has worked out a compromise deal, which it feels would be acceptable to ASEAN. While the first list of 400 items will not be open to tariff concessions, tariffs on the 454 items in the second list, which include palm oil, tea and pepper, will gradually be reduced after five years of implementation of the agreement. (Source: Economic Times, 09/13/06)

Post Comment: It appears that India shows greater flexibility on tariff reduction commitments away from the Doha negotiations.

RELIANCE RETAIL OUTLET DEBUT IN TWO WEEKS

Reliance Retail will be rolling out its first retail outlet in Hyderabad in the 3rd week of September. The first store 'Fresh' would be a food and grocery store with 2000 square feet of floor space. The company's plans are to have at least 30 stores by end of September, 260 stores by November 15, 1000 stores by March 2007, and 3000 stores by June 2007. By June 2007, Reliance intends to have a presence in at least 67 cities. The first hypermarket is slated for Ahmedabad by December 15, which would be spread over 100,000 square feet of floor area. Reliance is believed to have acquired most of the real estate required for the 3000 stores. (Source: Business Standard, 09/11/06)

PANEL TO DECIDE FATE OF GM VEG TRIALS ON SEPT 25

The Ministry of Environment and Forests has set up an expert committee to decide on clearance for field trials of biotech vegetable crops. The committee is expected to meet on September 25, 2006 to review the comments received from various organizations for permitting field trials for Bt brinjal (egg plant). GEAC had appointed a thirteen member in-house panel to review the case of Bt brinjal. The committee will be judging the competence of the current protocol for trials followed by recommendations on safeguards. Maharashtra

Hybrid Seed Company had submitted the proposal for conducting field trails of biotech brinjal. (Source: Business Standard, 09/13/06)

PEPSICO LOOKS FOR YIELDS FROM CONTRACT FARMS

Pepsico is building its production base and strengthening its requirements for processing juice. The company targets to cover an area of 100,000 acres under citrus cultivation in Punjab over the next four years. The planting material for the project would be brought from Florida. The project is expected to yield two million tons of fruits. The company has established linkages with farmers for contract cultivation and will provide technical expertise to the growers. Orange juice will be marketed in Asian countries under the Tropicana brand. (Source: Business Line, 09/10/06)

EXPORTS OF OILSEED MEAL RISE 35 PERCENT

Exports of oilseed meal during the first five months of the Indian Fiscal Year (Apr-Mar) reported a 10 percent rise from the corresponding period of previous year. Meal exports in August were 254,000 metric tons compared with 187,858 tons in the previous year, thus registering a 35 percent increase. Among the major importers were China (soybean, rapeseed and groundnut meal), Vietnam (soybean meal and rice bran meal), and South Korea (rapeseed meal). (Source: Financial Express, 09/08/06)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN6080	Weekly Highlights & Hot Bites, #33	09/08/06
IN6083	India: Poultry and Products: Annual	09/14/06

WE ARE ON THE NET

We are available at http://india.usembassy.gov/foreign_agricultural_service.html or visit our headquarter's home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/NEWDELHI EMAIL

To reach FAS/New Delhi, email us at Agnewdelhi@usda.gov.